



January 13, 2015

Mayor Mike Crist & City Council
City of Anna
111 N. Powell Parkway
P.O. Box 776
Anna, TX 75409

Dear Mayor Crist and City Council:

We are extremely excited to be working with the Skorburg team to help catalyze the master planned Anna Town Square development with a 180 unit high quality apartment home community for the workforce of Anna. Quality begets quality and planning well produces great results. For over a decade, the Skorburg team and the City of Anna worked together and set the stage for a beautiful integrated community called Anna Town Square that will include a variety of single family options, multifamily, commercial, retail, schools and churches. We are excited for the opportunity to be a part of bringing that original vision to reality by helping kick-off the multifamily component of Anna Town Square. We believe that our community will kick start commercial development in Anna Town Square, and help bring massive tax base to the City of Anna through master planned development with true mixed uses.

What we need to continue moving forward are two resolutions. First, we need a resolution from City Council stating their support for Palladium Anna. Second, we need Local Political Subdivision funding (LPS) resolution from the City of Anna. We are in a unique situation in that Anna Town Square has worked on and passed an existing Facilities Agreement with the City for the current infrastructure of Anna Town Square. With the city's approval, the Skorburg team would generously agree to transfer some of the benefit in that Facilities Agreement to Palladium Anna such that no new obligations from the City are needed to satisfy this request.

Attached is an Executive Summary of Palladium Anna for your review. Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Combs", followed by a long horizontal line.

Ryan Combs
Vice President
Palladium USA
rcombs@palladiumusa.com
972-774-4435

ANNA CROSSING AMC, LTD
8214 Westchester Suite 710, Dallas, Texas

January 13, 2015

Philip Sanders
City of Anna
111 N. Powell Parkway
P.O. Box 776
Anna, TX 75409

Dear Philip,

I am thrilled that the City of Anna and North Texas has continued to experience increasing growth in 2014 after 4-5 years of the Great Recession. As economic growth continues, Anna Town Square ("ATS") will be a destination community and catalyst for quality development in Anna.

The proposed addition of the Palladium community inside Anna Town Square is another excellent step in the right direction. They are high quality builders that are owners, not merchant builders. They have extensive experience in building a variety of quality multifamily projects. They are not typical tax-credit builders who tend to have short term views and goals. For Anna, they will incorporate tax credits to get a foothold to buy and hold long term assets in this emerging market.

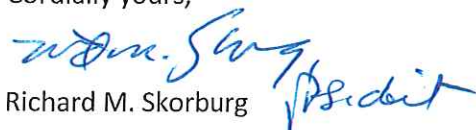
Multifamily always feels best, looks best, and maintains its long-term quality appearance and repair by being an integral part of a master plan as opposed to a floating location, disjointed among various zoning categories that don't integrate smoothly to generate a symbiotic work, live, and play environment. Disjointed locations do not travel well through time as they deteriorate and attract a challenging tenant base. This situation will not benefit the City of Anna, particularly not at the City's front door.

Palladium Anna is an attractive, long-term project. It is an integral part of ATS future plans for a church, school, commercial and a retirement center. It will embolden the critical mass of ATS and its rising tax base.

What's really great with Palladium is the matching of long-term quality property owners as we have been with ATS for over a decade. Stability begets stability. Quality projects give rise to other quality projects.

All of this taken together makes this a destination area and enhances a soaring tax base.

Cordially yours,


Richard M. Skorburg

EXECUTIVE SUMMARY


Palladium Anna Proposed General Population Multifamily Housing Anna, Texas



Proposed Housing

Palladium Anna is proposed to be a 180 unit, general population apartment home community located on inside the Anna Town Square master planned community. Comprised of 1, 2 and 3 bedrooms, Palladium Anna will be a Class A+ constructed apartment home community that will fit into a well thought out and integrated master planned community. We believe our community will help catalyze commercial and retail development in Anna Town Square which will ultimately produce massive tax base for the City.

Palladium Anna apartment homes will target existing Anna workforce that is priced out of the current rental market elsewhere and would like to live in Anna. This will be accomplished through utilizing a source of equity that is administered through the Texas Department of Housing and Community Affairs (TDHCA). A portion of Palladium Anna's units will be market rate and the rest will be rent controlled in order to provide Class A+ housing for the working class of Anna. Most of our rent controlled units will be at the 60% level detailed below. In addition we will have some units at the 50% level and a few units at the 30% level in order to serve seniors and veterans who are on very restrictive incomes.

	<u>Rent</u>	<u>Number of Bedrooms</u>			
		1	2	3	
	30%	\$382	\$459	\$529	
	50%	\$637	\$765	\$883	
	60%	\$765	\$918	\$1,059	
	Market Rate	\$1,020	\$1,224	\$1,413	

<u>Income Limits</u>	<u>Number of Household Members</u>					
	1	2	3	4	5	6
30%	\$14,280	\$16,320	\$18,360	\$20,370	\$22,020	\$23,640
50%	\$23,800	\$27,200	\$30,600	\$33,950	\$36,700	\$39,400
60%	\$28,560	\$32,640	\$36,720	\$40,740	\$44,040	\$47,280
Market Rate	-----Unlimited-----					



Our proposed luxury class community will be an amenity rich environment and will feel like resort living. Instead of designing a standard garden style apartment, Palladium Anna will be designed to look and feel high end. Our goal is to develop a community that not only we are proud to put our name on, but anyone would feel proud to call home. Standard in our units will be granite countertops and hard floor surfaces (not carpet). In addition we will include all the amenities listed below.

Common Amenities

- *Resort Style Swimming Pool
- *Gazebo, grills and picnic tables
- *Playground area with BBQ and tables
- *Splash pad/water feature play area
- *Resort style fitness center
- *Business Center
- *Club Room with catering kitchen
- *Full Perimeter Fencing

Unit Amenities

- *9' Ceilings in units
- *14 SEER HVAC units
- *Full Size washer/dryer connections
- *Usable Balcony or patio
- *Covered Entries
- *High Speed Internet access availability
- *Sprinklers throughout
- *Distinctive Floorplans

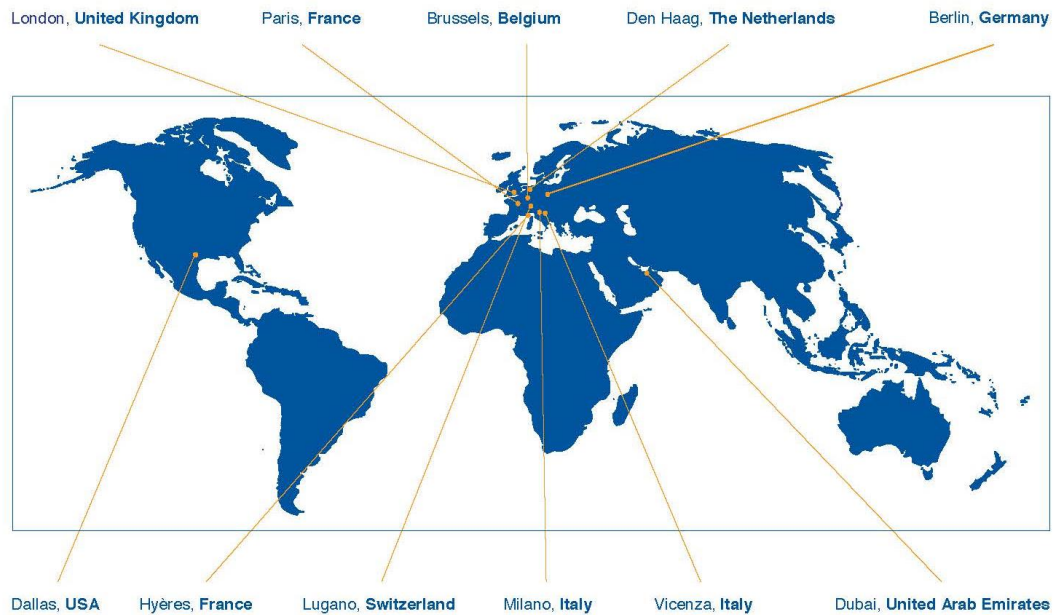
In addition, we hire a faith based non-profit called Apartment Life who will recruit a couple from a local church. We will give a free apartment to that couple whom we call the CARES Team. The CARES Team will host multiple parties and events every month and help neighbors get to know each other. This amenity is one of our most valuable as it establishes the human element that is needed in any community.



The Developer, Owner and Manager

Palladium USA is a privately owned company with over 130 years' experience developing and managing apartments around the world including Dallas, London, Paris, Milan, Dubai and many more. Our office is in Dallas, so we are local. We have developed and managed luxury high rise apartments, midrise and garden style all over the world. Regardless of the style or where we develop, we insist on an extremely high bar of excellence and luxury regardless of price point. We are not a merchant builder who will build and sell. It is our business plan to build and hold our assets long term. Therefore, we do not hire out development or management of our communities. We maintain a high standard of excellence through developing and managing ourselves. For more information on Palladium USA please visit www.palladiumusa.com.

Palladium Office Locations



Palladium Anna will pay 100% of its Ad Valorem tax obligation and intends to develop deep roots into Anna through relationships with the city, local churches, non-profits and others. We believe that the addition of Palladium Anna will be an asset that everyone will be proud to have in the City of Anna.

For additional information, please contact Ryan Combs with Palladium USA at 972-774-4435 or email at rcombs@palladiumusa.com.